GOVERNMENT OF INDIA
POWER
LOK SABHA

STARRED QUESTION NO:337
ANSWERED ON:12.12.2002
FAST TRACK POWER PROJECTS
SRIKANTA DATTA NARASIMHARAJA WADIYAR

Will the Minister of POWER be pleased to state:

(a) the number of Fast Track Power Projects initiated by the Government during the Ninth Plan;

(b) the installed capacity of each of those power projects;

(c) whether there were some litigation problems in the execution of some of these Fast Track Power Projects;

(d) if so, the details thereof; and

(e) the present status of each of those projects?

Answer

THE MINISTER OF POWER (SHRI ANANT G. GEETE)

(a) to (e) : A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF STARRED QUESTION NO. 337 TO BE ANSWERED IN TH LOK SABHA ON 12.12.2002 REGARDING FAST TRACK POWER PROJECTS.

(a) & (b) : The Government of India (GOI), in 1994, had decided to provide counter guarantee to 8 initial power projects, cleared for making foreign investment in the power sector. The counter guarantee scheme was a transitory measure to boost private investment in the sector. The eight projects identified for GOI counter guarantee have generally been referred to as `Fast Track Power Projects`, since they were seen as pioneer projects, which would pave the way for further private investments. Out of these 8 identified projects, during the 9th Plan, GOI counter guarantee under revised procedure adopted in 1998, has been issued for the following projects:-

i) Bhadravati Thermal Power Project of M/s. Central India Power Company in Maharashtra of 2 x 536 MW.

ii) Visakhapatnam Thermal Power Station of M/s. Hindujas National Power Corporation Ltd. in Andhra Pradesh of 2 x 520 MW.

iii) Neyveli Thermal Power Station (Zero Unit) of M/s. ST-CMS Electric Company in Tamil Nadu of 1 x 250 MW.

In addition to the above 3 projects, issue of counter guarantee under a revised procedure was approved during the Ninth Plan in respect of the following projects:-

iv) Ib Valley Thermal Power Project (Units 5 & 6) of M/s. AES Ib Valley Corporation in Orissa of 2 x 250 MW.

v) Mangalore Thermal Power Project (Cogentrix) (4 x 253.3 MW) of M/s. Mangalore Power Company in Karnataka.

(c) & (d) : Bhadravati Thermal Power Project:

A Public Interest Petition (PIP) had been filed in 1998 in the Nagpur Bench of Maharashtra High Court opposing the Bhadrawati power project on various grounds. The petition has been admitted by the hon`ble High Court. The Court, in its order dated 26th March, 2002, has taken note of a submission made by Maharashtra State Electricity Board (MSEB) that they will not go ahead with the project unless the disputes and differences arising out of the Power Purchase Agreement (PPA) and Dabhol Power Company (DPC) are sorted out amicably and the demand for power in the State has picked up to the extent that MSEB is able to absorb the power in addition to the Dabhol Power. Accordingly, the Court has directed that no further steps should be taken for implementation of the project without further orders of the Court. A Special Leave Petition (SLP) filed by the promoters of the project was dismissed by the Supreme Court of India with the observation that the party is at liberty to reapproach the High Court, which would give all the Respondents, including the promoters an opportunity of hearing.

Mangalore Power Company :

A PIP had been filed in the High Court of Karnataka against the State of Karnataka, the Karnataka Electricity Board and others on the award of project to M/s Cogentrix (M/s Mangalore Power Company) seeking for investigation by appropriate agencies into various

allegations. GoI had not been made a respondent in this case. On the basis of the facts and circumstances of the case, the Hon`ble Court had ordered that a First Information Report (FIR) would be registered with the Central Bureau of Investigation (CBI) by the Government of Karnataka. On the Special Leave Petition filed by State of Karnataka, the Supreme Court of India set aside the order of High Court.

One Shri Saba Rehman, an Advocate, filed an Public Interest Litigation (PIL) in the High Court of Karnataka against State of Karnataka and eight others including Government of India, challenging the order, dated 8.5.2000 of the Government of Karnataka whereby permission was given to replace M/s Cogentrix Energy Inc. in M/s Mangalore Power Company. The PIL has been dismissed.

Two petitions were also filed in the Karnataka High Court opposing the Mangalore project mainly on environmental aspects. These were also dismissed by the Court while directing the Ministry of Environment & Forests to take into consideration reports given by National Environmental Engineering Research Institute (NEERI) and others on environment related issues and decide the issues arising therein.

(e) : Of the 5 projects mentioned above, the Neyveli Thermal Power Project has recently been synchronized with the Tamil Nadu State Grid. The promoters of the Bhadrawati Thermal Power Project and the Visakhapatnam Thermal Power Project are yet to achieve financial closure and commence construction activities. Meanwhile, the counter guarantee in respect of these two projects have since expired due to inability of the promoters to fulfil some of the conditions prescribed in the counter guarantee. In the case of the remaining two projects, the counter guarantee could not be issued since the State Governments have not conveyed their acceptance to the conditions laid down for issue of the counter guarantee. Both these projects are also yet to achieve financial closure and commence construction activities.